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Reps. Jeb Hensarling (R-TX), Mike Pence (R-ID), and **John Campbell (R-CA)** recently unveiled a proposal [2] to impose a limit on federal spending of 20 percent of Gross Domestic Product (GDP). This proposal serves as a necessary reminder that current federal spending is out of control and certain to grow further if nothing is done.

The sponsors of the amendment explain [2] that the limit "would force Congress and the President to prioritize various spending needs and provide transparency to the difficult decisions and trade offs necessary to ensure that the federal government once again lives within its means."

A limitation of 20 percent of GDP on total federal outlays can accommodate sufficient defense budgets. Even following the 9/11 attacks, the total defense expenditures (which includes several accounts in addition to what goes to the Department of Defense), have exceeded 4 percent of GDP only since the surge in Iraq, according to the Department of Defense's "Green Book."

Through most of this decade, total federal spending has been in the general vicinity of the 20 percent benchmark. There are several elements which determine that defense expenditures would be adequate under the broader spending limitation.

The first regards economic growth. Federal expenditures that exceed the 20 percent limitation to a significant degree are very likely to create economic stagnation. Defense expenditures will be a casualty of such stagnation, just as the Soviet and later Russian defense budgets, admittedly in a more dramatic fashion, were in the late 1980s and early 1990s. Furthermore, the limitation would create a dynamic where Congress will first have to find ways to grow the economy if it wants to increase spending. This is a healthy dynamic. A healthy defense budget is ultimately dependent on a healthy and growing economy.

Second, it is necessary to forecast the circumstances the defense budget will find itself in if entitlement and interest payments stay on their current trajectory. Under this scenario, where the total federal budget could consume 30, 35 or 40 percent of the economy, it is not at all likely that defense will receive 4 percent of GDP [3]. Rather, the defense budget could, at best, receive 1 or 2 percent of GDP.

Finally, the entitlement mentality is seizing control of the defense budget itself. Deferred and in-kind benefits, particularly for health care, are increasing on a per capita basis in the military and are projected to continue to increase.

Finally, the authors of the spending limit amendment include a stipulation that the limit can be waived in the case of a declaration of war or a two-thirds vote in Congress. This gives lawmakers the flexibility to exceed the spending ceiling on national defense in the case of a true defense emergency. Of course, this is not to say that Congress will necessarily make the right choice concerning the defense budget under the spending limitation amendment. No procedural proposal can guarantee that outcome. Rather, it is to say that Congress is at least as likely to take a responsible stand regarding the defense budget under the limitation as it is without it.

The amendment sponsors stress [2] that the "extreme borrowing on the part of nations is a direct threat to their national security." A spending limit is not simply a responsible suggestion for restoring America's fiscal sustainability, but could also mean greater security for defense budgets as well.

URLs in this post:

[1] Image: [http://blog.heritage.org/wp-content/uploads/federal-spending\\_05-580.jpg](http://blog.heritage.org/wp-content/uploads/federal-spending_05-580.jpg)

[2] proposal: [http://mikepence.house.gov/images/stories/sla\\_one-page\\_final.pdf](http://mikepence.house.gov/images/stories/sla_one-page_final.pdf)

[3] 4 percent of GDP: [http://thf\\_media.s3.amazonaws.com/2010/pdf/bg2375.pdf](http://thf_media.s3.amazonaws.com/2010/pdf/bg2375.pdf)